

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7691

BILL NUMBER: SB 349

NOTE PREPARED: Apr 9, 2003

BILL AMENDED: Apr 9, 2003

SUBJECT: Senior Judges Pay.

FIRST AUTHOR: Sen. Bray

FIRST SPONSOR: Rep. Kuzman

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that a senior judge receives, for each day after the first 30 days, a per diem equal to the minimum compensation to which a full-time trial court judge is entitled. It specifies that this per diem consists of the judge's retirement benefits plus whatever additional compensation is necessary to cause the per diem to equal the minimum compensation due a full-time trial court judge. (The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2003.

Explanation of State Expenditures: *Summary:* The added costs associated with this bill depend on the average salary of a trial court judge and the compensation that the senior judge currently receives from the Judges' Retirement Fund.

Assuming that the annual salary of a trial court judge remains \$90,000 per year, that senior judges continue to work an average of 61 days per year, and that the average payment for senior judges for each day after the first 30 days is \$223, *the added payments for senior judges would be an estimated \$348,595* if no adjustments are made in the per diem salaries.

The Supreme Court would have the discretion to reduce senior judge payments if the payroll fund is not sufficient to pay these added costs.

Background Information: These estimated costs are based on the following known facts concerning the average pension payments that senior judges received in FY 2001 and the salary of current trial court judges.

Known Facts:	
Number of trial court senior judges receiving benefits in CY 2001	65
Number of days of service in CY 2001	3,970
Expenditures @ \$50 per diem in CY 2001	\$198,500
Average number of days per senior judge in CY 2001	61
Reported payout for Judges' Retirement Fund in FY 2001	\$8,200,458
Number of retired members in FY 2001	256
Average payout per retired member in FY 2001	\$32,033
Average per diem payment based on a 260-day year in FY 2001	\$123
State salary of trial court judge in FY 2003	\$90,000
Average per diem payment based on 260-day year	\$346
Difference between per diem of trial court judge and average payout for retired judge	\$223

The following table shows the method of estimating these added costs.

Method for Estimating the Added Cost of Increasing the Payments of Senior Judges					
	Current Law		Proposed		<u>Added Cost</u>
	<u>Per Diem</u>	<u>Per Senior Judge</u>	<u>Per Diem</u>	<u>Per Senior Judge</u>	
First 30 Days	\$50	\$1,500	\$50	\$1,500	\$0
Next 31 Days	\$50	<u>\$1,550</u>	\$223	<u>\$6,913</u>	<u>\$5,363</u>
Total Cost		\$3,050		\$8,413	\$5,363
Number of Senior Judges		<u>65</u>		<u>65</u>	
Total Cost For Proposal		<u>\$198,250</u>		<u>\$546,845</u>	<u>\$348,595</u>
*Note: The proposed per diem of \$223 for the next 31 days is based on the difference between the per diem of a trial court judge and the average per diem payout for a retired judge from the Judges' Retirement Fund.					

Explanation of State Revenues: An estimated \$11,850 would be collected by the state in the form of Individual Adjusted Gross Income taxes on the additional per diem amounts resulting from this bill.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of State Court Administration.

Local Agencies Affected: Trial courts.

Information Sources: Office of State Court Administration; Judges' Retirement Fund.

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